

FISCAL NOTE

Bill #: SB0420

Title: Sheriff's department as only enforcement authority for fish & game laws

Primary Sponsor: Butcher, E

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	(\$5,017,917)	(\$6,715,294)
Federal Special Revenue	(\$236,508)	(\$318,854)
Other	\$7,006,754	\$6,710,337
Revenue:		
Federal Special Revenue	(\$12,156,387)	(\$12,156,387)
Net Impact on General Fund Balance:	\$0	\$0

<input checked="" type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input checked="" type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input checked="" type="checkbox"/> Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Fish, Wildlife and Parks

1. The counties will assume all enforcement responsibilities of FWP's Enforcement Division.
2. Funding for non-enforcement functions will be lost and the level of service for non-enforcement activities will be reduced or eliminated. (See technical notes)
3. The counties will assume all enforcement responsibilities of the park rangers within the Parks Division.
4. By statute, the bill will take effect on October 1, 2003. FY 2004 calculations will reflect 75 percent of the fiscal year.
5. The Executive Budget request for FY 2004 and FY 2005 will be used as the base for budget calculations needed to determine the fiscal impacts of this bill.
6. FY 2004 Enforcement FTE = 104.63 x 75 percent = 78.47; FY 2004 Enforcement budget = \$6,973,270 x 75 percent = \$5,229,953. FY 2005 Enforcement FTE = 104.63; FY 2005 Enforcement budget = \$7,001,740.
7. FY 2004 Park Ranger FTE = 0.70 x 75 percent = 0.53 FTE; FY 2004 Park Ranger personal services budget is \$17,647 calculated based on G13 entry salary of \$13.34 and 20 percent benefits (\$13.34 x 2,080

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$x 0.53 = \$14,706$ plus benefits = \$17,647); FY 2004 Park Ranger operations budget is \$6,825 ($\$9,100 \times 75$ percent = \$6,825). FY 2005 Park Ranger FTE = 0.70 FTE; FY 2005 Park Ranger personal services budget is \$23,308 ($\$13.34 \times 2,080 \times 0.70 = \$19,423$ plus benefits = \$23,308); FY 2005 Park Ranger operations budget is \$9,100.

8. The annual general budget of FWP is defined as the total HB 2 executive request for FY 2004 and FY 2005. (FY 2004 FWP budget = \$58,389,614)(FY 2005 FWP budget = \$55,919,472).
9. The minimum amount available in the new enforcement account will be \$7,006,754 in FY 2004 and \$6,710,337 in FY 2005. ($\$58,389,614 \times 12$ percent = \$7,006,754)($\$55,919,472 \times 12$ percent = \$6,710,337)
10. In FFY 2003, there was \$12,156,387 of federal Wallop/Breaux and Pittman/Robertson apportioned to the State of Montana for fish and wildlife related activities. If this bill passes as written, Montana will no longer be eligible to receive these funds. Wallop/Breaux and Pittman/Robertson funds are matched three to one with state dollars.

Public Employees Retirement Administration

11. This is the only provision being considered. If other provisions are enacted, the cost associated with this provision may be different.
12. This legislation will have a negative affect on Game Wardens' and Peace Officers' System. Game wardens make up about 15 percent of the total membership. Game wardens are generally younger and remain in the system longer than the other peace officers. Removing a group this large from the system will definitely change the demographics and adversely affect the system. The full extent of the changes won't be known for several years.
13. If members are allowed to transfer service from the Game Wardens' and Peace Officers' Retirement System to the Sheriffs' Retirement System, the member will pay the actuarial cost to transfer the service.
14. The "normal cost" of providing benefits in the Sheriffs' Retirement System is .63 percent more than the total employer and employee contributions currently being paid into the system. The difference between the "normal cost" and the contributions is currently being covered by the system's surplus.
15. Increased numbers of members will accelerate the effect of this imbalance.

FISCAL IMPACT:

	FY 2004	FY 2005
FWP	<u>Difference</u>	<u>Difference</u>
FTE	(79.00)	(105.33)

Expenditures:

Personal Services	(\$4,013,384)	(\$5,355,143)
Operating Expenses	(\$1,159,149)	(\$1,569,816)
Equipment	(\$38,392)	(\$51,189)
Grants	(\$30,000)	(\$40,000)
Transfers	(\$13,500)	(\$18,000)
Reimbursement to Counties	<u>\$7,006,754</u>	<u>\$6,710,337</u>
TOTAL	\$1,752,329	(\$323,811)

Funding of Expenditures:

State Special Revenue (02)	(\$5,017,917)	(\$6,715,294)
Federal Special Revenue (03)	(\$236,508)	(\$318,854)
Reimbursements to Counties (02)	<u>\$7,006,754</u>	<u>\$6,710,337</u>
TOTAL	\$1,752,329	(\$323,811)

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Revenues:

Federal Special Revenue (03)	(\$12,156,387)	(\$12,156,387)
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	(\$1,752,329)	\$323,811
Federal Special Revenue (03)	(\$12,156,387)	(\$12,156,387)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. County Sheriff's revenues would increase by \$7,006,754 in FY 2004 and \$6,710,337 in FY 2005, which would be used to hire rural deputies or other special enforcement personnel to perform fish and game related enforcement activities.
2. See technical notes.

LONG-RANGE IMPACTS:

1. Removing a group this large from the PERS Game Wardens' and Peace Officers' System will change demographics, which change the assumptions used in formulas which are used to determine the actuarial soundness of the retirement system. Game wardens are generally younger and remain in the system longer than the other peace officers. The normal cost is lower for younger members, and for members who generally remain in the system for 30 or more years.
2. Removing this group from the Game Wardens and Peace Officers' System will increase the normal cost to more than the current contribution rate, because the normal cost is now equal to or slightly less than the contribution rate. The full extent of the changes won't be known for a several years; however, contribution rates will need to be increased in the future.
3. The "normal cost" of benefits for current members of the Sheriffs' Retirement System is already .63 percent of compensation greater than the employer and employee contribution rate. The cost of benefits for current members is not being completely funded by contributions into the system. The current surplus in the Sheriffs' Retirement System will be depleted at a much faster rate if the Sheriff departments increase their staff because of this bill.
4. PERS anticipates the surplus will be depleted by the time of the 2004 actuarial valuation. Once the surplus is used, contributions will need to be increased to actuarially fund the system, which is statutorily required. These increased contributions must come from the city or county employers or the state.

TECHNICAL NOTES:

1. This bill does not provide FWP with the authority to verify any enforcement costs connected to dedicated state and federal funding sources, e.g., OHV, snowmobile, boat decals, and U.S. Coast Guard funds. There is no mechanism allowing FWP to distribute these funds according to statutory provisions on earmarking.
2. This bill does not provide FWP with the authority to verify fish and wildlife enforcement costs. A diversion of license dollars occurs when license dollars are used for non-fish and non-wildlife expenditures. At risk to the State of Montana is approximately \$12.2 million annually of federal aid dollars to hunters and anglers.
3. This bill does not require counties to assume responsibility for non-enforcement activities. The non-enforcement funding will be lost and the level of service for the following activities will be reduced or eliminated: teaching of hunter safety; responding to wildlife damage complaints; trapping, immobilizing, and relocating animals such as grizzly/black bears and mountain lions; performing water safety, OHV, and

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snowmobile patrols and education; handling Block Management enrollments; distributing confiscated game; licensing and inspecting bird farms; testing and inspecting falconers; and collecting biological information.